GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:433
ANSWERED ON:03.02.2017
e-Payments
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Will the Minister of FINANCE be pleased to state:

(a) whether there has been increase in e-payment, during last three years, if so, the details thereof;
(b) the steps taken by the Government to promote cashless economy;
(c) whether an unprecedent increase in the e-payment process has been recorded following the decision of demonetization by the Government; and
(d) if so, the details thereof?

Answer

The Minister of State in the Ministry of Finance

(a) Yes. Details are at Annex 1.
(b) Information is at Annex 2.
(c) to (d) Yes. Details are at Annex 3.
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Data on e-Payment System Indicators
Payment System Indicators Annex1
(Source: Reserve Bank of India)

Transactions Volume (in million)			Value (in billion Rs.)		
2013-14	2014-15	2015-16	2013-14	2014-15	2015-16
Real time Gross Settlement (RTGS)	81	93	98	904,968	929,333	1,035,552
Retail Electronic Clearing	1,108	1,687	3,142	47,856	65,366	91,408
Cards (Credit+Debit)	7,219	8,424	10,039	22,160	25,415	29,398
Prepaid Payment Instruments (PPIs)	134	314	748	81	213	488
Mobile Banking	95	172	389	224	1,035	4,041
Total	8,637	10,691	14,416	975,289	1,021,362	1,160,886

Annex 2
Key steps taken to promote cashless economy

1. National Bank for Agriculture and Rural Development (NABARD) has approved a scheme for giving 0.5% incentive on payments made through the Aadhaar Enabled Payment System (AEPS) to merchants.
2. In respect of debit card transactions on PoS devices, between 1.1.2017 and 31.3.2017, Merchant Discount Rate (MDR) has been capped at 0.25% for transaction value upto Rs. 1,000, and for debit card transactions value between Rs. 1,000 and Rs. 2,000, MDR has been capped at 0.5%.
3. Reserve Bank of India has decided that till 31.3.2017, banks and prepaid payment instrument issuers shall not levy any charges on customers for transactions up to Rs. 1,000 settled on Immediate Payment Service (IMPS), Unstructured Supplementary Service Data (USSD) and Unified Payments Interface (UPI). Further, Government has issued a direction in public interest to all public sector banks not to charge fees for transactions settled on IMPS and UPI in excess of rates charged for National Electronic Funds Transfer (NEFT) for transactions above Rs. 1,000, with service tax being charged at actual; for USSD transactions till 31.3.2017 above Rs. 1,000, a further 50 paise discount is provided.
4. NPCI has waived switching fees for RuPay Card transactions (both for PoS and e-commerce), IMPS, UPI, National Unified USSD Platform (NUUP) and AEPS, with effect from 1.1.2017 till 31.3.2017.
5. Credit card, debit card, charge card and other payment card services by banks have been exempted from payment of service tax for transactions of up to Rs. 2,000.
6. Government has introduced Lucky Grahak Yojana for customers and Digi Dhan Yojana for merchants to promote means of

cashless transactions.
7. In terms of Office of Controller General of Accounts Office Memorandum dated 14.12.2016, the applicable Merchant Discount Rate (MDR) charges on debit cards for payment up to Rs. 1 lakh shall be absorbed by the Government. In terms of Department of Public Enterprises letter dated 9.12.2016, all Central Public Sector Enterprises (CPSEs) are required to ensure that transaction fees, MDR charges associated with payment through digital means shall not be passed on to the consumers and all such expenses shall be borne by CPSEs.

Electronic Payment Systems - Representative Data (Provisional)
(Source: Reserve Bank of India)

Month	RTGS (Customer + Inter Bank)		Retail Electronic Clearing (ECS+ NEFT+IMPS*+ NACH*)		Cards		Prepaid Payment Instruments (PPIs)#		Mobile Banking##		UPI*		USSD**	
	Volume (Million)	Value (Rupees Billion)	Volume (Million)	Value (Rupees Billion)	Volume (Million)	Value (Rupees Billion)	Volume (Million)	Value (Rupees Billion)	Volume (Million)	Value (Rupees Billion)	Volume (Million)	Value (Rupees Billion)	Volume (Million)	Value (Rupees Billion)
Sep-2016	8.47	86,687.35	315.03	10,770.13	945.86	2,623.91	97.07	56.28	72.63	1,042.57	0.08	0.32	0.00	0.00
Oct-2016	9.01	76,473.29	346.46	10,634.97	1,032.14	3,069.65	126.90	60.22	78.08	1,135.78	0.10	0.49	0.00	0.00
Nov-2016	7.87	78,479.19	312.73	9,748.25	906.78	1,833.46	169.03	50.10	85.39	1,374.43	0.29	0.91	0.01	0.01
Dec-2016	8.84	84,096.48	418.54	12,608.01	1,025.48	1,801.29	261.09	97.70	89.61	1,485.83	1.96	7.00	0.10	0.10

Month over month growth (%)

Month	RTGS (Customer + Inter Bank)		Retail Electronic Clearing (ECS+ NEFT+IMPS*+ NACH*)		Cards		Prepaid Payment Instruments (PPIs)#		Mobile Banking##		UPI*		USSD**	
	Volume (Million)	Value (Rupees Billion)	Volume (Million)	Value (Rupees Billion)	Volume (Million)	Value (Rupees Billion)	Volume (Million)	Value (Rupees Billion)	Volume (Million)	Value (Rupees Billion)	Volume (Million)	Value (Rupees Billion)	Volume (Million)	Value (Rupees Billion)
Oct-2016	6.37	-11.78	9.97	-1.25	9.12	16.99	30.73	6.99	7.51	8.94	23.28	50.65	-6.12	-5.65
Nov-2016	-12.57	2.62	-9.74	-8.34	-12.15	-40.27	33.19	-16.81	9.36	21.01	176.84	85.41	136.47	76.36
Dec-2016	12.26	7.16	33.84	29.34	13.09	-1.75	54.47	95.02	4.95	8.11	583.52	673.55	1,351.51	1,320.29

* Source is National Payments Corporation of India (NPCI)
** Figures negligible, Source is NPCI
# PPI issued by 8 non-bank issuers for goods and services transactions only.
Mobile banking figures are taken from 5 banks.
ECS - Electronic Clearing System
RTGS − Real Time Gross Settlement
NEFT − National Electronic Funds Transfer
IMPS − Immediate Payment Service
NACH − National Automated Clearing House
UPI - Unified Payments Interface
USSD - Unstructured Supplementary Service Data
PPI - Prepaid Payment Instrument